

File

Acting Chief, Services Division

16 May 1947

Asst. Chief, Finance Division

Attention is invited to Decision of the Comptroller General, B-64700, dated 2 April 1947, which relates to the purchase of motor vehicles for the use of the executive departments and independent establishments of the Government and the sale or trade-in of used vehicles on behalf of such departments or establishments.

The Comptroller General makes reference to Section 8, Public Law 600, 79th Congress, which provides that the head of any department or his duly authorized representative may exchange or sell similar items (which include articles or items, the exchange of which is authorized by law) and apply the exchange allowances or proceeds in such cases in whole or part payment therefor, etc.

The decision brings out the fact that requisitions for new motor vehicles may be submitted to the Bureau of Federal Supply and, further, used automobiles may be disposed of through the same channels. The Bureau of Federal Supply has indicated that, by making consolidated purchases, it has been able to obtain vehicles at a price much lower than the commercial price and, in most instances, lower than would be available to the needing agency on a direct purchase.

In checking into the procedure to be followed in cases where automobiles or other items of equipment are to be sold and the proceeds directed to purchases of similar new equipment, it has been found there is a practically overwhelming amount of agency accounting work involved. Based on the assumption that the Bureau of Federal Supply will, if requested, purchase various items of equipment and process the sale or trade-in of similar items in connection therewith, and since it is expected that purchases of new equipment with related trade-ins or exchanges of similar equipment will be on a rather small scale for this agency, the following is recommended:

When it is desired to buy new equipment and use the proceeds of a sale or trade-in in connection therewith, a requisition therefor should be placed with the Bureau of Federal Supply, listing the desired items and also indicating that, in connection with the purchase, certain similar items will be available for sale or trade-in so that the proceeds from such sales or trade-ins can be applied against the purchase price. This statement, on the requisition, should be supported by a complete description of the equipment to be exchanged or sold, including make, model, identifying or serial numbers, year of manufacture, condition,

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location, and date available for surrender. The surrender date could be indicated as the date the new equipment is delivered.


The procedure suggested above would eliminate a great deal of bookkeeping and further adjustments in the CIG Accounts Unit and, since the Bureau of Federal Supply is set up for such accounting work, it is heartily recommended that you endorse our suggestion. Your prompt reply to this memorandum will be greatly appreciated.


Asst. Chief,
Finance Division

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